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44. Calls on the Commission to restart the procedure for the adoption of the Directive on criminal-law protection of the Communities' financial interests (2001/0115(COD)), blocked by the Council since 2002, and of the Regulation on mutual administrative assistance for the protection of the Communities' financial interests (2004/0172 (COD)), blocked by the Council since 2005;

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45. Instructs its President to forward this resolution to the Council, the Commission, the Court of Justice, the European Court of Auditors, the OLAF Supervisory Committee and OLAF.

European Investment Bank (EIB) - Annual Report 2008

P7_TA(2010)0156

European Parliament resolution of 6 May 2010 on the European Investment Bank's annual report for 2008 (2009/2166(INI))

(2011/C 81 E/23)

The European Parliament,

- having regard to the 2008 Annual Report of the European Investment Bank (EIB),
- having regard to Articles 15, 126, 175, 208-209, 271, 308-309 of the Treaty on the Functioning of the European Union and Protocol No 5 on the Statute of the EIB,
- having regard to Article 287 of the Treaty on the Functioning of the European Union on the role of the Court of Auditors,
- having regard to its resolution of 23 April 2009 with observations forming an integral part of the Decision on discharge in respect of the implementation of the budget of the Seventh, Eighth and Ninth European Development Funds for the financial year 2007 ⁽¹⁾,
- having regard to the exchange of letters between Mr Pötering, President of the European Parliament, and Mr Maystadt following Parliament's resolution of 23 April 2009,
- having regard to its resolution of 25 March 2009 on the 2007 Annual Reports of the European Investment Bank and the European Bank for Reconstruction and Development ⁽²⁾,
- having regard to its resolution of 22 April 2008 on the European Investment Bank's annual report for 2006 ⁽³⁾,
- having regard to Council Decision 2006/1016/EC of 19 December 2006 granting a Community guarantee to the European Investment Bank against losses under loans and loan guarantees for projects outside the Community ⁽⁴⁾,

⁽¹⁾ OJ L 255, 26.9.2009, p. 98.

⁽²⁾ Texts adopted, P6_TA(2009)0185.

⁽³⁾ OJ C 259 E, 29.10.2009, p. 14.

⁽⁴⁾ OJ L 414, 30.12.2006, p. 95.

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- having regard to the Court of Justice's judgment of 6 November 2008 on the legal basis of Decision 2006/1016/EC ⁽¹⁾,
- having regard to the EIB's Public Disclosure Policy ⁽²⁾ of 28 March 2006,
- having regard to the Corporate Operational Plan 2009-2011 of the EIB, as approved by its Board of Directors on 16 December 2008,
- having regard to the Court of Justice's judgment of 10 July 2003 regarding the power of the European Anti-Fraud Office (OLAF) to investigate the EIB ⁽³⁾,
- having regard to the Tripartite Agreement concluded between the Court of Auditors, the EIB and the Commission with respect to the modes for controls exercised by the Court of Auditors, provided for in Article 248(3) of the EC Treaty ⁽⁴⁾ and renewed in July 2007,
- having regard to the Memorandum of Understanding signed on 27 May 2008 between the European Commission and the European Investment Bank aimed at furthering coordination of the European Union external lending policies,
- having regard to the Memorandum of Understanding signed on 9 July 2008 between the European Ombudsman and the European Investment Bank concerning information on the bank's policies, standards and procedures and the handling of complaints, including complaints from non-citizens and non-residents of the European Union,
- having regard to the EIB Interim revised policy towards Offshore Financial Centres,
- having regard to the 2008 Annual Activity Report of the EIB Complaints Office,
- having regard to the last EIB report to Parliament on implementation of Parliament's recommendations,
- having regard to the 2008 Annual Report of the EIB's Audit Committee to the Board of Governors,
- having regard to the Commission communication of 29 October 2008 entitled 'From financial crisis to recovery: A European framework for action' (COM(2008)0706),
- having regard to the Commission communication of 26 November 2008 entitled 'A European Economic Recovery Plan' (COM(2008)0800),
- having regard to its resolution of 10 March 2010 on EU 2020 ⁽⁵⁾,
- having regard to Rules 48 and 119(2) of its Rules of Procedure,

⁽¹⁾ Case C-155/07, European Parliament v Council of the European Union, not yet published in the European Court Reports.

⁽²⁾ OJ C 332, 30.12.2006, p. 45.

⁽³⁾ Case C-15/00, Commission of the European Communities v European Investment Bank [2003] ECR I-7281.

⁽⁴⁾ Article 287(3) of the Treaty on the Functioning of the European Union.

⁽⁵⁾ Texts adopted, P7_TA(2010)0053.

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- having regard to the report of the Committee on Budgetary Control and the opinions of the Committee on Regional Development and the Committee on Economic and Monetary Affairs (A7-0062/2010),
- A. whereas the EIB was set up by the Treaty of Rome and its main goal is to contribute to the development of the common market and to the reduction of the differences in the various regions' development, using the capital markets and its own resources,
- B. whereas the EIB's financing operations inside the European Union focus on six policy priorities: ensuring economic and social cohesion; preparing for the knowledge economy; developing trans-European transport and access networks; supporting small and medium-sized enterprises (SMEs); protecting and improving the environment; and ensuring sustainable, competitive and secure energy,
- C. whereas the EIB's operations outside the European Union are primarily undertaken to support the European Union's external action policies,
- D. whereas in line with the Lisbon Strategy the EIB decided to increase its subscribed capital by EUR 67 billion from EUR 165 billion to EUR 232 billion, of which the Member States have paid up EUR 8,2 billion,
- E. whereas according to its Statute, after the ratification of the Lisbon Treaty the EIB is authorised to have maximum loans and guarantees equivalent to 250 % not only of its subscribed capital but also of reserves, non-allocated provisions and profit and loss account surplus,
- F. whereas the financing needs have increased because of the credit crunch caused by the economic and financial crisis,
- G. whereas the EIB put particular emphasis on SMEs, sustainable, competitive and secure energy and the mitigation of climate change, and on the investments in the convergence regions of the EU particularly hard hit by the recent economic slowdown,
- H. whereas the goals of the EU 2020 strategy cannot be achieved without proper funding and in paragraph 35 of its resolution on EU 2020, the European Parliament takes the view that 'the European Investment Bank and the European Bank for Reconstruction and Development should play a greater role in supporting infrastructure investment, green technologies, innovation and SMEs',
- I. whereas the volume of the EIB's lending has significantly increased in 2008, the amount of loans signed in the contracts came to EUR 57,6 billion, and the amount disbursed was EUR 48,6 billion, 10 billion more than expected,
- J. whereas the value of the signed projects increased by 20,5 % compared with 2007, and by 25,9 % compared with 2006. The 89,34 % of the EIB's operations are concentrated on projects in the EU Member States in 2008, which shows a 2,7 % point expansion compared with 2007, and 2,25 % point compared with 2006,
- K. whereas in comparison with 2007 the value of the signed contracts, focused on projects in Central and Eastern Europe, grew by 17 % to EUR 6 905 million in 2008, which means nearly twice of the value in 2004,

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- L. whereas the EIB's lending activity in 2008 outside the EU per geographical region was as follows: Asia and Latin America EUR 469 million, Eastern Europe, Southern Caucasus and Russia EUR 170 million, Mediterranean countries EUR 1 290 million, pre-accession countries EUR 3 453 million; ACP countries EUR 561 million; and South Africa EUR 203 million,

Comments on the EIB Annual Report 2008

1. Welcomes the 2008 Annual Report of the EIB and encourages it to continue its activities to promote the development of the European economy and foster growth, stimulate employment, and promote inter-regional and social cohesion;

2. Notes with satisfaction the EIB's quick response to the global economic crisis by self-financing an increase of its capital and hence raising its volume of lending in support of the European Economic Recovery Plan; and calls on the Bank to continue its financial crisis management programmes in particular for those Member States, which have been severely hit by the crisis and to further increase its lending activity in those countries; expects that EIB funding in 2009 amounting to EUR 75 000 million will leverage real economy investments for a total amount of around EUR 225 000 million;

3. Notes that new credit lines with financial intermediaries for SMEs increased by 42,4 % to EUR 8,1 billion in 2008, of which EUR 4,7 billion in the last quarter were realised; EUR 30 billion has been earmarked for Loans for SMEs in Europe during the period 2008-2011;

Consequences of the Lisbon Treaty

4. Welcomes the strengthening of the Audit Committee by increasing the number of its members from three to six and by giving it the mission to verify that the Bank's activities conform to best banking practice and to audit the accounts; stresses the necessity to make sure that the members of the Audit Committee have a strong banking supervisory experience; stresses, however, that, in addition to the strengthening of the Audit Committee, concrete steps must be taken to ensure that the EIB is soon brought under proper banking supervision;

5. Asks the EIB and the Member States to consider the possibility (as the EU has legal personality in accordance with the Lisbon Treaty) of the European Union becoming a shareholder in the Bank in addition to the Member States, which would, in its view, result in reinforced cooperation between the EIB and the Commission;

Banking supervision

6. Notes that in July 2009 the EIB became a participant in the Eurosystem's monetary policy operations with the European Central Bank (ECB) and this status entails certain requirements to report to the ECB, through the Banque Centrale du Luxembourg (BCL), in particular on the EIB's framework for liquidity risk management;

7. Is nevertheless convinced of the necessity of a European prudential supervisory system under which the EIB is subjected to the same prudential rules as credit establishments and to real prudential control, which oversees the quality of the EIB's financial situation and ensures that its results are accurately measured and the profession's rules of good conduct are observed;

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8. For this reason supports the idea that the Committee of European Banking Supervisors (CEBS) should be turned into a more competent European Banking Authority (EBA) within the framework of the European Financial Supervisory Authority; recommends that all financial institutions and groups who show activity in more than one EU Member State, including the EIB, fall within the competence of the EBA; asks the Commission and Member States to make every effort in order to enable this new System of Financial Supervisors to begin its operation as soon as possible;

Budgetary control and management

9. Welcomes the fact that the Bank has been able to retain its top quality credit standing, in spite of the market volatility and uncertainty; also welcomes the fact that the Bank increased its funding ceiling from EUR 55 billion to EUR 60 billion and could raise an amount of EUR 59,5 billion, which is a significant (8,8 %) increase compared with 2007 (EUR 54,7 billion);

10. Invites the EIB to make every effort to retain the AAA rating, which is crucial in order to guarantee the best conditions for its loans;

External mandate and investment facility

11. Awaits the mid-term review of EIB external financing by 30 April 2010 and the Commission proposal for a new decision replacing Decision No 633/2009/EC; takes the view that both the mid-term review and the new Commission proposal should take into account not only the recommendations of the steering committee chaired by Michel Camdessus, but also the previous recommendations of Parliament; calls in particular for greater consistency in the EIB's external mandate, as regards both the sufficiency of funds for the whole period of the new mandate and their distribution by geographical areas;

12. Highlights the fact that the external action of the EIB should be in line with EU policy objectives as stipulated in the Treaty on European Union and the Treaty on the Functioning of the European Union; takes the view that the EIB, as an EU-policy-driven bank, should keep a balance in terms of lending between the different regions in the EU neighbourhood; considers that, as regards regions where EIB activity may overlap with other regional or international publicly funded financial institutions, a clear division of labour may be necessary; welcomes the Western Balkan Investment Framework in this respect; reiterates, however, that the current cooperation agreement between the Commission, the EIB and the EBRD as regards financing operations in the Eastern Neighbourhood, Russia and Central Asia needs to be revised; welcomes, therefore, the fact that the Steering Committee of 'wise persons' agrees with the recommendations adopted in March 2009 by the European Parliament on a better mutual understanding between the EIB and the EBRD;

13. Recalls that in paragraph 24 of its resolution of 22 April 2008 ⁽¹⁾ on discharge in respect of the implementation of the budget of the Sixth, Seventh, Eighth and Ninth European Development Funds (EDF) for the financial year 2006 it suggests that, during the discharge procedure, the EIB present its annual report and explain the implementation of the investment facility directly to the Committee on Budgetary Control; further recalls that EDF resources are public money contributed by European taxpayers and not by the financial markets;

14. Reiterates its regrets that the EIB's annual report on the investment facility contains mainly financial information and very little – if any – information on the results of the various programmes financed;

15. Observes that the forthcoming review of Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities ⁽²⁾ is an opportunity to include the projects and the results of the investment facility in the discharge procedure; calls on the Commission to propose a possible solution for achieving this objective when making its proposal;

⁽¹⁾ OJ L 88, 31.3.2009, p. 253.

⁽²⁾ JO L 248, 16.9.2002, p. 1.

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Transparency and the fight against fraud

16. Notes with satisfaction the systematic follow-up of Parliament's recommendations undertaken by the EIB in recent years;

17. Recalls that the EIB has committed itself to formal reviews of the Public Disclosure Policy (PDP) every three years, welcomes the fact that in May 2009, the EIB launched a public consultation on its Complaints Mechanism Policy, PDP and Transparency Policy; regrets that the PDP was not reviewed in 2009 as foreseen and expects the EIB to review these three policies as soon as possible;

18. Requests that the EIB clearly specify the conditions for non-disclosure of information in its forthcoming new PDP in order to set up high transparency standards;

19. Notes with satisfaction that the public consultations have become an integral part of the EIB's transparency policy in recent years; calls however on the EIB to pay more attention to the stakeholders' engagement, by providing them with clear guidance documents concerning their possible involvement in consultations or evaluations;

20. Welcomes the fact that the EIB, especially the Chief Compliance Officer, gave more attention to developing a new set of rules on protection of whistleblowers, published in April 2009, providing all EIB staff and any other person providing service to the Bank with full protection; draws however the Bank's attention to the fact that the EIB provides no protection against retaliation for external complainants and requests the EIB to examine possibilities for filling this gap;

21. Supports the EIB's 'zero-tolerance' policy towards fraud and corruption, and asks the Bank to speed up, in cooperation with the Commission, the establishment of a blacklist of fraudsters, and the development and implementation of a debarment system for companies found guilty of corruption by the EIB and other multilateral development banks;

22. Welcomes the fact that the PDP is translated into all EU languages, and calls on the EIB also to make available 'Access to Environmental Information', 'The EIB Complaints Mechanism' and 'The EIB Transparency Policy' in all EU languages;

Policy towards Offshore Financial Centres (OFCs)

23. Welcomes the fact that the EIB has taken a further step by revising its policy towards OFCs in a way that goes beyond maintaining the existing ban on financing promoters who are based in a tax haven;

24. Notes with satisfaction the Bank's renewed policy towards OFCs, going beyond simply maintaining the existing ban on financing promoters who are based in a blacklisted OFC, especially the new obligation imposed by the EIB on all counterparts located in non-blacklisted yet weakly regulated OFCs to relocate to a country that is not an OFC prior to the signing of relevant contracts, thus ensuring for the Bank's future lending after 31 March 2010 that none of the EIB's borrowers will be located in a weakly regulated OFC;

25. Requests the EIB to inspect whether this renewed policy with regard to the OFCs covers the funds that are used by the EIB to provide loans for projects; takes the view moreover that the EIB should ensure that the income produced from these funds cannot be moved to tax havens after the projects are finished;

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26. Expresses its concern about the lack of transparency regarding the way 'global loans' are allocated and monitored in terms of tax governance; recalls that the EIB should ensure that recipients of its loans do not avail themselves of tax havens or use other practices such as abusive transfer pricing, which may lead to tax evasion or avoidance; in this context, calls on the EIB to request that financial intermediaries make public any use of the global and framework loans they receive, including a report of their activities in any individual country in which they operate;

27. Welcomes the Activity and Corporate Responsibility Report of the EIB Group which reports on the actions undertaken in order to achieve the Bank's strategic objectives which complement and reinforce the EU's policy objectives;

Strategy and objectives

28. Welcomes the EIB's Corporate Operational Plan (COP) for 2009-2011, in which the Bank has significantly revised upwards its operational activity targets compared to the orientations given in the COP 2008-2010;

29. Stresses that the EIB is called to play an important role in achieving the EU 2020 goals; therefore ask the Bank to make sure that its loans will contribute to the effort in achieving the strategy objectives;

30. Notes that economic and social cohesion and convergence, and the convergence pillar of the EU's Cohesion Policy in particular, are a core target for the EIB;

31. Appreciates the contribution which the EIB made to the convergence objective by lending EUR 21 billion, 41 % of total EIB lending in the EU, for convergence projects;

32. Stresses the added value of undertaking actions in cooperation with the Commission, and of the Bank's approach of providing additional support and leverage to Structural Fund interventions;

33. Calls for enhancing the combined use of EU grants with the EIB financial instruments, in particular in cohesion regions where the raising of own funds encounters particular difficulties, in order to support cohesion and to hinder further decline in the countries hardest hit by the crisis;

34. Requests that in future the EIB report detail major loans supplementing ERDF grants to regions implementing technologically advanced programmes or programmes related to renewable or clean energy supplies;

35. Highlights the EIB's significant role in supporting small and medium-sized enterprises during the financial crisis, considering that the SMEs make up 99 % of businesses in the EU and employ over 100 million people and are therefore the engine of Europe's economy;

36. Admits the effect of built-in leverage meaning that financial intermediaries must on-lend to SMEs at least the double of the amount of the EIB loan and that the new Loans for SMEs initiative improves the financial conditions for SMEs; requests further the EIB to add details regarding the efficient use of these loans in the forthcoming activity report in order to ensure that a part of the benefits they derive from EIB funding are passed on to SMEs in an appropriate manner, and to provide information about the origin of the funds;

37. Notes in this context that at the request of the EIB's shareholders EUR 30 billion have been earmarked for loans to SMEs for the period 2008-2011 and that half of that amount has been made available between 2008 and 2009; stresses the importance of high levels of oversight to ensure that financial partners do not hoard EIB credit to stabilise their own balance sheets;

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38. Taking into account that the economic crisis is not yet over, with unemployment rates still rising, calls on the EIB to apply bolder risk-taking in its lending policy towards SMEs without jeopardising its triple A status; suggests that the EIB adapt the 2006 Risk Capital Mandate for the European Investment Fund in order better to take into account the current economic turmoil and the need to improve SMEs' access to capital for risk-taking projects; demands that the EIB's participation in the JASMINE programme, currently EUR 20 million, be at least doubled;

39. Recalls the recommendations made in its resolution of 25 March 2009 on the 2007 Annual Reports of the EIB and the European Bank for Reconstruction and Development ⁽¹⁾, in paragraph 8 of which it urged the EIB 'better to monitor and to make transparent the nature and final destination of its global loans in support of SMEs'; calls on the EIB to further enhance transparency in its lending through financial intermediaries and to establish clear financing conditions for financial intermediaries and lending effectiveness criteria;

40. Calls on the EIB to harmonise its lending to SMEs with Structural Fund allocations in convergence regions and to ensure balanced support between different types of SME;

41. Urges the EIB better to monitor and to make more transparent the nature and final destination of its global loans in support of SMEs; suggests setting up a scoreboard on the multiplication effects of EIB lending operations;

42. Calls on the EIB to develop a more detailed and methodologically harmonised analysis in its annual reports of the implementation of the financial instruments complementing Structural Fund operations; in this context the Bank could explain to Parliament the functioning of the Risk-Sharing Financing Facility which it has established with the Commission; takes the view that of particular relevance is the interplay between this facility, financing under the seventh Framework Programme for Research and the Structural Funds;

43. Notes that according to the EIB's Annual Report the evaluation phase of the JEREMIE (Joint European Resources for Micro to Medium Enterprises) initiative was completed in 2008; regrets that the report does not include this evaluation;

44. Requests the EIB to add details in its next annual report about the first achievements of two policies from 2009: the JASMINE (Joint Action to Support Microfinance Institutions in Europe) initiative and the implementation of the Mezzanine Facility for Growth;

45. Asks the EIB to make every effort to simplify the complicated and bureaucratic regulations found in certain projects, wherever they occur, in order to make the financing on projects more rapid and efficient, with special regard to the global crisis;

46. Emphasises that the success of the new programmes for European macro-regions depends on coordinating the activities pursued under all policies having a territorial impact and on finding a long-term solution to the funding of macro-regions; calls, therefore, on the Bank to consider the possibility of EIB and EIF funding, in addition to EU funding, for this purpose in the next financial programming period starting in 2014;

47. Invites the EIB to make every effort to avoid duplication of work with the European Bank for Reconstruction and Development (EBRD) outside the EU; reiterates its recommendations in paragraph 28 of its above-mentioned resolution of 25 March 2009 in order to achieve better structured cooperation between the EIB and the EBRD in countries of common operation;

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48. Instructs its President to forward this resolution to the Council, the Commission, the European Investment Bank and the governments and parliaments of the Member States.

⁽¹⁾ Texts adopted, P6_TA(2009)0185.